

State of New Mexico
LEGISLATIVE EDUCATION STUDY COMMITTEE

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MINUTES
LESC MEETING
Wednesday, August 6, 2008

Frances R. Maestas, Director

At the request of Chairman Rick Miera, Representative Ray Begaye called the Legislative Education Study Committee (LESC) meeting to order on Wednesday, August 6, 2008, at 9:25 a.m., Brooks Isham Performing Arts Center, Kirtland, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, Jimmie C. Hall, and Mimi Stewart; and Senator Vernon D. Asbill.

The following LESC advisory members were present:

Representatives Ray Begaye, Nathan P. Cote, and Jim R. Trujillo; and Senators Lynda M. Lovejoy and William E. Sharer.

<> Approval of Agenda

On a motion by Senator Asbill, seconded by Representative Hall, the committee unanimously approved the agenda as presented.

<> Welcome and Introductions

Representative Begaye recognized the following individuals who welcomed the committee to Kirtland: Mr. William C. Noland, Interim Superintendent, and Mr. Michael Thornton, Principal, Kirtland Central High School, Central Consolidated Schools.

Mr. Noland conveyed regrets for Mr. Hoskie Benally, Jr., Board President, Central Consolidated Schools, who, due to a previous commitment, was unable to attend. He then introduced Ms. Pamela Aune, Director, Brooks Isham Performing Arts Center, who gave a brief description of the facility, its function, and its usefulness to the community since its construction in 2005.

Mr. Thornton said that the school district serves 6,886 students, with approximately 92 percent of them Native Americans residing in Newcomb, Kirtland/Central, Naschitti, Fruitland, and the Shiprock area. He said that several schools are on the Navajo reservation and 18 schools are off the reservation. There are four high schools, one of them an alternative high school.

Mr. Thornton said the school district finds it difficult to obtain and retain qualified educators in the southern area of the district due to its remoteness; however, the Newcomb community is grateful to the state of New Mexico for the Diné Library that was built to serve this remote community.

PROPOSED PUBLIC SCHOOL FUNDING FORMULA CALCULATIONS OF SCHOOL DISTRICTS

Dr. Kathleen Forrer, LESC staff, explained that, for the 2008 interim, all 89 school districts have been invited to work with the LESC to examine the potential impact on school district programs and student achievement of the new public school funding formula that was proposed during the 2008 legislative session. She stated that, in order to facilitate this effort, the districts have been grouped according to student membership and scheduled to attend one of six LESC interim meetings.

Noting that three groups of districts would be discussing the proposed funding formula with the committee during the current meeting in Kirtland, Dr. Forrer directed the committee's attention to documents behind tab 1 in their notebooks. She explained that, in addition to a mock-up of the 2008 legislation provided by the Legislative Council Service (LCS), there was a table indicating where all of the data used in the district and charter school calculators had been derived and a graphic representation comparing the current public school funding formula with the proposed funding formula. In addition, she said, there were three sets of documents, one for each group presenting, and that each set included a summary spreadsheet comparing the potential fiscal impact of the proposed funding formula on all of the districts in a particular group; copies of the individual calculators for the districts in that group; and a copy of the letter sent to the districts prior to the meeting both inviting them to participate and posing questions to which they had been asked to respond as a means of facilitating the discussion.

Explaining that due to scheduling difficulties only one school district remained in group 3, Dr. Forrer stated that, for this meeting, groups 2 and 3 would report together. The groups were:

Group 3		Group 2		Group 1	
District	Enrollment	District	Enrollment	District	Enrollment
Dulce	653.5	Aztec	3,057.5	Central Consolidated	6,711.5
		Bloomfield	3,106.5	Farmington	10,091.5
		Grants-Cibola	3,634.0	Gallup-McKinley	12,349.0
		Zuni	1,498.0		

Prior to each presentation by the school districts, Dr. Forrer reviewed with the committee the summary spreadsheet, which was based on the individual calculators for each district in that group. For the first presentation, the information for Dulce Independent Schools (Dulce) was included with the information for the districts in group 2. Noting that groups 2 and 3 included districts with budgeted enrollments for school year 2007-2008 ranging from a high of 3,634 in Grants-Cibola County Schools (Grants-Cibola) to a low of 653.5 in Dulce, she explained that the overall adjustment factor for this group also ranged from a high of 2.194 in Dulce to a low of 1.546 in Aztec Municipal Schools (Aztec), in part because the proposed funding formula reflects the fact that the per-student cost in a small school district is higher than in a district with an enrollment closer to the statewide average of approximately 3,532. However, she said, other

factors in the formula also contribute to the range in the overall adjustment factors, which are a composite adjustment based on student need, as well as district size. To illustrate the point, she noted that the poverty rates among the five districts ranged from a low of 42.4 percent in Aztec to a high of 87.6 percent in Zuni, which also had the highest overall adjustment factor (1.934) among the districts in Group 2.

Speaking in support of the proposed public school funding formula, the school districts in groups 2 and 3 cited the following additions to current programs and services that they would like to implement, given sufficient funding:

- better identification of and services for gifted students;
- additional library resources;
- more art and music at the elementary level;
- smaller class sizes;
- additional counselors, social workers, and home-school liaisons to provide increased support for both students and their families;
- additional personnel for data collection and interpretation; and
- more support for activities that keep students interested in school, such as band and field trips.

In addition to the services listed above, the superintendents of those districts with large Native American populations cited the need to forge and maintain strong ties with the tribes that they serve. Several superintendents also stated that, although they were unsure whether the Index of Staff Qualifications (ISQ) would help them meet the salary requirements associated with the three-tiered licensure system for teachers, they were willing to wait and see.

Dr. Forrer stated that Group 1 included the largest districts in the northwestern part of the state, with 2007-2008 budgeted enrollments ranging from a low of 6,711.5 in Central Consolidated Schools (Central) to a high of 12,349 in Gallup-McKinley County Public Schools (Gallup-McKinley). She explained that, although the overall adjustment factors for these districts reflected their larger size, they also reflected differences in need, particularly with regard to poverty, the percent of English language learners (ELL), and the proportion of students in high school. She noted that both Central Consolidated and Gallup-McKinley had higher percentages of students participating in the federal Free and Reduced-Fee Lunch Program and higher percentages of students identified as ELLs than did Farmington Municipal Schools (Farmington). In addition, she said, both Central Consolidated and Gallup-McKinley had a greater percentage of their students enrolled in high school than did Farmington, explaining that research indicates that high school programs cost more to provide than programs in elementary schools. As a consequence of these combinations of need and size, Dr. Forrer stated, Central Consolidated had the highest overall adjustment factor of 1.623, while Farmington had the lowest at 1.409; Gallup-McKinley's overall adjustment factor was nearly as high as Central Consolidated's at 1.602.

Speaking in favor of the proposed funding formula, the districts in Group 1 stressed how they would use any additional funds to meet student needs, including:

- enhancing Response to Intervention programs in order to address student problems at an early stage, thereby reducing the need to place students in special education programs;
- strengthening and expanding programs for gifted students;

- providing targeted professional development to enable teachers to implement Advanced Placement courses;
- strengthening Native language programs by integrating Native languages into the curriculum;
- providing additional health care programs, particularly to meet the needs of Native American students;
- expanding career and technical programs for all students; and
- expanding elementary art and music programs.

The committee asked all three groups if the data used in the calculators appeared accurate. All of the superintendents indicated that the data for their districts accurately reflected what had been reported by the districts. All of the superintendents also agreed that, if the proposed funding formula is implemented, there will be an even greater need to ensure that the data are accurate. In response to a committee member's question regarding whether it was possible for districts to "chase" the proposed formula, responses were mixed. Several superintendents indicated that they did not think it would be possible; however, one superintendent thought that it might be, given a "creative" superintendent.

The committee also asked all of the groups whether the Educational Plan for Student Success (EPSS) is the most appropriate means of ensuring accountability with regard to the proposed funding formula. All of the superintendents in groups 2 and 3 stated that the EPSS is a good accountability tool because it is structured and well-organized and because it is closely aligned to their budgets. One superintendent did caution, however, that because the EPSS is not totally inclusive, it does not encompass all of a district's operational and support costs.

The committee asked what impact the rising cost of diesel fuel and gasoline was having on both to- and from-school transportation and on transportation for student activities. One superintendent indicated that the current impact on the district was minimal because the district had purchased fuel in bulk prior to the recent spike in fuel costs; however, she noted, if the costs kept rising, the district would be faced with the same problems as every other district when it came time to replenish the district's fuel supplies. The business manager from another district indicated that, because the district had purchased fuel from an out-of-state dealer, the district was not entitled to a rebate of the New Mexico gasoline tax and consequently had overspent its transportation budget by \$80,000. Several superintendents noted that they had either curtailed the number of activities that required students to be transported, reduced the number of students transported to out-of-town activities, or both. For example, several superintendents indicated that, whenever possible, student teams from different sports traveled together rather than in separate vehicles in order to reduce transportation costs.

DIRECTOR'S REPORT

a. Approval of LESC Minutes for May 2008

On a motion by Representative Hall, seconded by Senator Garcia, the committee unanimously approved the LESC Minutes for May 2008.

b. Approval of LESC Financial Report for May 2008

On a motion by Representative Hall, seconded by Senator Nava, the committee unanimously approved the LESC Financial Report for May 2008.

c. Correspondence

Dr. Rindone reviewed several items of correspondence included in the committee members' notebooks, adding that these items are also kept in the LESC permanent files. In particular, she directed the committee's attention to a memorandum prepared by staff for parents and teachers of gifted students as well as other organizations throughout the state. She explained that, after the committee heard from several individuals during its meetings regarding the proposed public school funding formula and gifted education, the committee requested that the staff solicit more input from the entire community concerned with this issue. She explained that the memorandum explains the current law and the proposed changes included in the proposed funding formula and asks the participants to provide their responses to the questions that are attached at the end of the memorandum.

Concerning the public school transportation costs, Dr. Rindone provided the committee a memorandum from Mr. Don Moya, Deputy Secretary, Finance and Operations, Public Education Department (PED). She said that the gas fuel prices, particularly for diesel, have increased significantly and that, to demonstrate those costs, Mr. Moya had calculated the cost of fuel based on a quarterly average rather than on the average of the fiscal year. Currently, Dr. Rindone added, New Mexico is underfunded by \$5.4 million. She also said that the LESC and the Legislative Finance Committee (LFC) staff worked with Mr. Moya and agreed both on the calculation on a quarterly basis and on the amount of underfunding.

Dr. Rindone stated that Mr. Moya's memorandum did not address the transportation costs for FY 08 because the public school districts have already closed their books for 2008; however, she said, there was a shortfall during school year 2007-2008. Using transportation cost figures calculated by Ms. Frances Maestas, LESC staff, based on a quarterly average, Dr. Rindone said that, altogether, districts were funded by \$2.55 per gallon on the wholesale price of diesel for FY 08. Based on the August quarterly average cost of \$3.90 per gallon wholesale, this funding level resulted in a shortfall of \$5.9 million for FY 08 and a total shortfall of \$11.3 million for FY 08 and FY 09, according to the handout. Dr. Rindone also suggested that the committee consider giving the staff some direction for the upcoming special legislative session.

In response to the Chair's question if, based on the current information, the committee needs to increase the amount of \$3.2 million for the special session of the Legislature, Secretary García said that PED is meeting with the LFC and LESC to review the calculations in the formula and to discuss means of addressing volatility in the market so that they can produce a solid recommendation during the regular session. Secretary García also said if an appropriation is forthcoming during the special session, school districts could use it to support the start of the school year. The Chair said the \$3.2 million should not be deemed sufficient, but only as a band-aid to address the emergency situation, and that the issue will need to be addressed more appropriately during the regular session. Secretary García concurred, adding that PED has communicated this fact to the Department of Finance and Administration as well.

In response to a committee member's question on how funding would be requested for the regular session, Secretary García said she may be asking for additional supplemental funding during the regular session for the current fiscal year. She explained that the department is asking for supplemental funding because of the immediate need due to the high rise in fuel costs. She said that PED is committed to making sure that school districts have the necessary funds for pupil transportation and that the department is prepared to advance either transportation dollars or the state equalization guarantee (SEG), if a school district truly finds itself with a shortfall.

Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators, said that he appreciated the direction the committee was taking regarding the special session, which suggests to him that the amount might be increased above the \$3.2 million during the regular session. He said the superintendents' association endorses this proposal as well. Mr. Sullivan reminded the committee that the topic is transportation dollars to- and from-school only, and not transportation to extra-curricular activities, where costs also are escalating.

On a point of personal privilege, Chairman Miera called on Dr. Rindone to make a special announcement. Dr. Rindone said that, after 21 years of service with the LESC, she will be retiring effective September 30 and will submit an official letter of retirement to that effect at the September meeting. She said that working for the LESC has been one of the highlights of her career. During her tenure as director, she continued, the LESC has been the impetus for passing very successful and innovative legislation that has advanced public education in New Mexico in some remarkable directions. She thanked the committee for giving her the opportunity to be part of the LESC's success and thanked the Chair and Vice Chair for their support during these years. Dr. Rindone also thanked her staff and Ms. Frances R. Maestas for their excellent work, noting that one source of her good fortune is the competent and dedicated staff members who have contributed to her success as director and to the success of the LESC.

Representative Miera said the committee appreciates the work Dr. Rindone has done and how far she has brought them and appreciates the work of the staff.

In light of the amount of work this committee must accomplish prior to the regular session, Senator Nava made a motion that the committee appoint Ms. Frances R. Maestas to be the Director effective October 1. The motion was seconded by Senator Garcia and carried unanimously.

STATEWIDE CYBER ACADEMY/INNOVATIVE DIGITAL EDUCATION AND LEARNING (IDEAL-NM)

Mr. Peter van Moorsel, LESC staff, introduced Dr. Tim Snyder, Executive Director, Innovative Digital Education and Learning-New Mexico (IDEAL-NM); Mr. Roy Soto, Secretary of the Department of Information Technology (DoIT); and Mr. Neil Meoni, Project Oversight Compliance Division Director, DoIT, to provide the committee with a report on the IDEAL-NM initiative.

To begin, Mr. van Moorsel explained that in 2007, the Legislature passed LESC-endorsed legislation to create the statewide cyber academy and appropriated funds to implement IDEAL-NM. Since 2007, Mr. van Moorsel continued, the Legislature has appropriated a total of approximately \$9.1 million to support the implementation of IDEAL-NM and the statewide

cyber academy, including \$7.4 million to the Higher Education Department (HED) and \$1.67 million to the Public Education Department (PED). He said that the majority of the \$9.1 million in funding has been used to purchase a learning management system (LMS) for the project. He added that Regional Education Cooperative (REC) #10 will serve as the fiscal agent for IDEAL-NM and that all RECs will work to facilitate student participation in online courses by providing assistance, training, and outreach activities to member schools.

Mr. van Moorsel identified three main goals of IDEAL-NM: (1) create a statewide eLearning services center; (2) implement a statewide eLearning system that will provide online learning and professional development to P-12, higher education, and state agencies; and (3) create a statewide cyber academy serving grades P-12.

Mr. van Moorsel concluded his part of the presentation by addressing several issues regarding the implementation of IDEAL-NM, among them:

- Together with a lengthy RFP process, the process of certifying the information technology (IT) funds resulted in significant delays in purchasing the LMS software. To allow HED additional time to procure the LMS, the 2008 Legislature reauthorized the \$6.4 million appropriation to be expended through FY 10. A LMS has since been procured, and it appears that this issue has been resolved.
- LESC staff reported in 2007 that eventual cyber academy participation and enrollment might benefit from an effort by IDEAL-NM and the cyber academy to spread awareness of the cyber academy's current and future course offerings and costs. Mr. van Moorsel reported that this issue appears to have been resolved, as 90 percent of school districts responding to a survey conducted by the Legislative Finance Committee (LFC) in 2008 reported that they were aware of the IDEAL-NM initiative.
- The *Statewide Cyber Academy Act* requires PED to promulgate rules to carry out the provisions of the act. Mr. van Moorsel explained that, although related distance learning rules are in place, they do not specifically address the cyber academy. Without rules that regulate school districts' ability to enter into contracts with distance learning providers outside of the cyber academy, school districts might duplicate the services provided by and the costs of the cyber academy. He added that, according to PED, the department is planning a "repeal and replace" of the current distance learning rule. Notification and publication of the new rule were scheduled for July 17 and July 31, respectively, and a public hearing on the rule is scheduled for September 3, 2008.
- IDEAL-NM aims to provide eLearning services to P-12 schools, and its web-portal includes a P-12 online learning link. However, the *Statewide Cyber Academy Act* requires that the statewide cyber academy provide distance learning courses for grades 6 through 12.
Mr. van Moorsel explained that, in order to authorize the statewide cyber academy to develop and provide courses for students in pre-kindergarten through grade 5, the committee may wish to endorse legislation expanding the statewide cyber academy to serve the students in these grades.

Next, Dr. Snyder reported that the cyber academy operated as a pilot program in school year 2007-2008, offering 53 courses purchased from Aventa, an online course vendor, and two courses developed in New Mexico. According to PED, 246 students from 17 districts participated in the pilot. Dr. Snyder added that the statewide cyber academy will officially open August 12, 2008 and that for fall 2008 the academy will offer 19 courses developed in New Mexico and 15 Aventa courses, all taught by New Mexico teachers, as well as 19 Advanced Placement courses instructed by national providers.

Dr. Snyder added that the average cost to develop a cyber academy course is approximately \$7,200, including developing and uploading the course content and purchasing interactive mathematics and science simulations.

In order to be able to teach in the cyber academy, Dr. Snyder said, a teacher must be highly qualified to teach in New Mexico and have experience as an online learner. He added that IDEAL-NM teachers must complete an eight-week online training aligned with the online teaching standards. A total of 50 eTeachers will be trained and qualified to teach in the cyber academy by August 2, 2008, and IDEAL-NM plans to train an additional 50 eTeachers by June 30, 2009. Dr. Snyder explained that IDEAL-NM pays cyber academy teachers \$200 per student enrolled in their courses each semester.

Dr. Snyder also explained the higher education component of IDEAL-NM, noting that, although this component is mostly in the planning stages, some features are in place now. He explained that the IDEAL-NM Higher Education Online Clearing House provides an online catalog and schedule of 2,250 higher education courses as well as links to the 22 institutions of higher education that offer the courses. He stated that, when fully implemented, IDEAL-NM will allow higher education and dual credit students to register for higher education courses at all institutions throughout the state via the IDEAL-NM web-portal. He also explained that, because they are not standardized, course costs and admission and registration policies may differ depending on the institution from which a student intends to purchase a course.

Finally, Dr. Snyder explained, IDEAL-NM calls for the development of online courses to be used by New Mexico governmental agencies for staff training, with advantages including reduced employee travel time and associated costs, expanded training opportunities, and self-paced instruction and flexible scheduling. He added that there is currently no budget to develop online training courses and that this component will be implemented in a later phase.

Next, Secretary Soto explained that the *General Appropriations Act* includes language requiring the Chief Information Officer of DoIT to certify each IT project, including IDEAL-NM, before the Department of Finance and Administration (DFA) releases funding appropriated for the project. He provided an overview of the process for certifying IT projects and releasing the funds, explaining that each phase of a project must be certified, including the initiation phase, planning phase, implementation phase, and closeout phase. He said that DoIT requires the deliverables of prior phases to be met before releasing funds for the next phase. Secretary Soto also described the DoIT Project Certification Committee, which comprises DoIT staff and advisory representatives from DFA and LFC, business owners, and IT representatives.

Secretary Soto stated that, on average, certification for a single project takes 12 days to complete, but in cases where agencies submit incomplete requests for certification, it takes approximately 44 days to complete the project certification. He said the release of IT funds for IDEAL-NM was delayed because the RFP process, which normally takes approximately 40 days, had to be performed twice.

Committee Discussion:

Several committee members asked if anyone other than a public school student, such as an adult or home school student, could enroll in a cyber academy course. With regard to adult participation, Dr. Snyder stated that, although adults will eventually be permitted to take cyber academy courses, currently no process for adult enrollment exists. With regard to home school students, he noted that the *Statewide Cyber Academy Act* contains a provision allowing home school students to participate in the cyber academy if they are enrolled in the district for at least half of the minimum course requirements or if they pay a portion of the cost of the cyber academy course. The cost to the home school student may not exceed 35 percent of the current unit value per curricular unit.

In response to a committee member's question whether a minimum number of students must enroll in a course in order for that course to be offered, Dr. Snyder said that, although the cyber academy would prefer to have at least three students enrolled in a course, there is no official minimum enrollment.

In response to a committee member's question about what sets IDEAL-NM apart from distance learning programs in other states, Dr. Snyder explained that New Mexico is the first state in the nation to create a statewide eLearning system that will provide online learning from pre-kindergarten through college, as well as workforce development.

In response to a committee member's question about keeping courses up to date, Dr. Snyder said relatively easy course maintenance is one of the advantages of online environments. He added that cyber academy courses may be updated at any time and that course developers do not have to wait for the next textbook adoption.

In response to a committee member's question whether New Mexico could sell IDEAL-NM courses to other states and nations, Dr. Snyder said that this issue had been discussed somewhat, noting that the 2007 Legislature appropriated funds for the development of distance learning courses in nanoscience and fractal math for national marketing.

In response to a committee member's question about HED's involvement in the higher education component of IDEAL-NM, Dr. Reed Dasenbrock, Secretary of Higher Education, said that a HED task force has recommended to HED that IDEAL-NM become a broker for a course exchange to allow a student registered at one university to take an online course from another university without being required to enroll at both institutions. Secretary Dasenbrock stated that the task force is developing options for revenue sharing that would provide a share of the tuition to IDEAL-NM to pay for the administration costs associated with managing the course exchange. Secretary Dasenbrock added that HED is also working to ensure that the rules for participation in the dual credit program apply to the online environment.

In response to a committee member's question whether institutions of higher education would be required to participate in IDEAL-NM, Ms. Veronica Chavez-Neuman, Chief Information Officer, HED, said that participation would not be required, but added that the IDEAL-NM LMS would be available at no cost to the institutions, thereby providing an incentive for the institutions to participate.

In response to a committee member's question about the future financial needs of IDEAL-NM and the cyber academy, Secretary Dasenbrock said that he did not have precise figures available; however, he added that the initial request for recurring funds was for \$2.5 million for PED and \$2.5 million for HED, of which each department has received \$1.0 million. He explained that each department would require an additional \$1.5 million in operational funds to be fully funded and that both departments would likely include a request for funding in their FY 10 agency budgets. Secretary Dasenbrock added that IDEAL-NM will require approximately \$2.5 million in capital funds to house the LMS in-state.

There being no further business and with the consensus of the committee, the meeting recessed at 4:15 p.m. to reconvene the next day at San Juan College, Farmington, New Mexico.

**MINUTES
LESC MEETING
Thursday, August 7, 2008**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Thursday, August 7, 2008, at 9:15 a.m., San Juan College, Zia Conference Room, Farmington, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, Jimmie C. Hall, and Mimi Stewart; and Senators Cynthia Nava, Vice Chair, Vernon D. Asbill, and Mary Jane M. Garcia.

The following LESC advisory members were present:

Representatives Andrew J. Barreras, Ray Begaye, Nathan P. Cote, and Jim R. Trujillo; and Senators Lynda M. Lovejoy and William E. Sharer.

Also in attendance were Representatives Paul C. Bandy, Richard J. Berry, R. James Strickler, and Thomas C. Taylor.

<> Welcome and Introductions

Chairman Miera recognized the following individuals who welcomed the committee to Farmington: Mr. Mike Tacha, Vice President for Learning, San Juan College; Mr. Shane Chance, Vice Chairman, Board of Trustees, San Juan College; Ms. Janel Ryan, Superintendent, Farmington Municipal Schools; and Mr. Steve Nelson, Board President, Farmington Municipal Schools. Mr. Mike Tacha expressed regrets from Dr. Carol Spencer, President, San Juan College, who was unable to be present due to a prior commitment.

Representative Thomas C. Taylor also welcomed the committee taking the opportunity to thank the LESC for its work and to advise the committee that Farmington has issues unlike those of the rest of the state. Likewise, Mr. Dwayne Crank, Associate Student President for San Juan College, welcomed the committee on behalf of the student body and expressed appreciation to them for all they do for students.

In view of the planned college and university presentations on the P-20 partnerships with the school districts on this date, Ms. Ryan and Mr. Nelson took this opportunity to praise the San Juan College for their interaction with the school district, informing the committee of their excellent trades program in which the high school students participate, and their planned monthly meetings.

COLLEGE AND UNIVERSITY PRESENTATIONS: P-20 PARTNERSHIPS WITH SCHOOL DISTRICTS

Ms. Pamela Herman, LESC staff, introduced a panel of representatives from the five public postsecondary institutions in northwestern New Mexico to describe their P-20 partnerships with local school districts. Panelists from San Juan College were Dr. Michael Tacha, Vice President for Learning; Dr. Cheryl Drangmeister, Associate Vice President for Student Services; and Mr. Steve Wamel, Program Coordinator, Technical Education Center (TEC) Program; from the University of New Mexico (UNM) Gallup campus, Dr. Barry Cooney, Executive Director; from New Mexico State University (NMSU) Grants campus, Dr. Felicia Casados, Campus President; from Navajo Technical College, Mr. Todd Romero, Vice President; and from Diné College, Dr. Tanya Gorman Keith, Vice President for Academic and Student Affairs.

Ms. Herman said that, to determine to what extent postsecondary institutions and local school districts communicate and coordinate their efforts to prepare students for college-level work and the workforce, the committee included in its 2008 Interim Workplan a series of hearings with representatives of two- and four-year public postsecondary institutions in each region of the state. The purpose of the hearings was to discuss P-20 partnerships with local school districts to improve student success. Institutional representatives were asked to discuss their institutional missions, the goals of their initiatives, the strategies they use, the challenges they have faced, their evaluation of the initiatives, and any data they have gathered showing results to date.

Panel members indicated that, in general, the goals of their P-20 partnerships were to expand educational opportunities for rural students; to collaborate to comply with the 2007 dual credit legislation and increase dual credit opportunities; to encourage more students to continue their education by easing transitions from high school to college and career education; and to provide career and technical courses that require expensive facilities that school districts do not have. All of the institutions in northwestern New Mexico highlighted the importance of meeting the needs of minority and first-generation college students, particularly Native Americans, who represent a large share of the enrollment in the schools with which they partner. In addition, panelists from Diné College and Navajo Technical College emphasized, in addition, their mission-specific roles to support economic development and language and cultural preservation on the Navajo Nation.

Among the state-funded institutions, representatives described dual credit programs as the centerpieces of their P-20 activity. They all reported that, to build functional dual credit programs and address implementation challenges, they had convened on-campus working groups and established advisory groups or scheduled regular meetings with school district staff. They also discussed their expanded communication efforts such as site visits to high schools, advertisements in high school newspapers, and email correspondence with enrolled high school students. Panelists outlined several types of dual credit programs, including the following:

Dual Credit Program		Description	# of Partners	Approximate Enrollment
San Juan College	Articulated and Early Admission	English, math, science, music, business, art, foreign language, social science, speech, etc.	11 regular and alternative high schools in 4 districts; 1 BIE contract high school	07-08 headcount-165 credit hours - 1101
	TEC	auto body, auto mechanics, building trades, CAD/art, welding, cosmetology, electronics, firefighter/first responder, health occupations, machine shop		07-08 headcount- 445 credit hours-- 3282
	online dual credit	multi-media and computer arts		pilot stage
UNM-Gallup	academic dual credit	general education and College Success courses	10 high schools in 2 school districts	07-08 Headcount – 634 credit hours –1718
	career technical education	auto tech, early childhood ed, welding, collision repair, business tech, criminal justice, cosmetology,		
	Middle College High School	high school diploma plus 9-60 college credits		07-08 – approx. 60 students
NMSU-Grants	career technical programs	cert. nursing asst., auto mechanics, electronics, construction trades, auto CAD, EMT, creative media, correction officer, junior law enforcement, tourism services	3 high schools in 2 school districts; 1 BIA high school	07-08 headcount –175
	academic dual enrollment	general education, etc.		

The panelists stated that P-20 partnerships extended beyond dual credit programs to include initiatives such as the following:

- accuplacer or Compass testing of high school students for placement and advisement;
- high school advisor/counselor training workshops;
- aligning Carl Perkins funded programs at the high school and college levels;
- summer camps for students about to start college to improve basic skills;
- collaboration with honors and Advanced Placement programs;
- campus tours;
- service learning programs in schools for teacher education and human services majors;
- joint projects such as the Four Corners Writing Project, and New Mexico Mathematics, Engineering and Science Achievement (MESA); and
- reporting freshman year outcomes to the local high schools from which students graduated.

While tribal colleges also offer dual credit, their representatives indicated that their P-20 initiatives have a somewhat different emphasis. At Navajo Technical College, the focus was on reducing unemployment on the Navajo Nation through a core curriculum designed to provide employment opportunities in career and technical areas. These efforts include reaching out to area schools to encourage interest among students in careers in science, technology, engineering and mathematics. Other efforts address the widely dispersed nature of the population at the Navajo Nation, such as these initiatives to expand Internet access: the Internet to the Hogan

project and the Diné Grid. Diné College has a strong focus on teacher preparation and providing P-20 research services to school districts regarding Navajo culture and language. Teacher professional development at Diné College includes training to qualify educators for a bilingual endorsement or a Native American language and culture certificate.

The panelists described a number of challenges to their P-20 partnerships:

- poor preparation among high school students for college-level work;
- a less than desirable rate of success among high school students in some college courses;
- ensuring alignment of curricula between high school and college;
- increased graduation requirements and decreased elective credits available for students to use for dual credit;
- costs of transportation and textbooks for dual credit programs for their partner schools;
- the cost of developing new and innovative programs of study; and
- consistency in communication among P-20 partners.

Postsecondary partners indicated that they evaluate their P-20 initiatives through regular communications with school districts and program coordinators; monitoring attendance and grades; and looking at annual success rates and five-year trends in enrollment for each participating high school.

Committee and Institutions of Higher Education Discussion

The Chairman opened the discussion by stating that the purpose of the P-20 discussions was to measure the symmetry between efforts of high schools and postsecondary institutions to make student transitions smoother, and he complimented the institutions on their efforts.

In response to a committee member's question regarding summer programs offered to high school seniors before they entered, Mr. Romero said that Navajo Technical College had a month-long program funded by the National Science Foundation focusing on science, technology, engineering and math (STEM) careers and "college knowledge"; and Dr. Marlow said that UNM held summer camps at UNM-Gallup and UNM-Zuni where high school students, recent graduates, and GED recipients could earn seven credits and improve placement scores before starting college.

In response to a committee member's question if there were formal relationships between postsecondary institutions and trade unions to help students move through apprenticeship programs and receive certification, representatives of UNM-Gallup, Navajo Technical College, and San Juan College indicated that they had union representation on all career tech program advisory councils.

In response to a committee member's question regarding what the institutions were doing for military veterans, Dr. Marlow said that UNM-Gallup had a staff advisor with expertise in that area; Mr. Romero said that Navajo Technical College had a federal grant to address special needs, including those of veterans; and Dr. Gorman-Keith said that Diné College has had a veterans' advisor and a Veterans Administration program for several years.

In response to a committee member's question regarding how college credits earned in high school affected students' later financial aid eligibility, Dr. Gorman-Keith stated that those early credits could shorten the number of semesters for which a student qualified for federal aid such as Pell grants when pursuing a bachelor's degree. Ms. Tashina Banks-Moore, Director of Financial Aid, Higher Education Department (HED), said that she was surveying postsecondary institutions to determine how many students this federal policy affected.

In response to a committee member's question whether the current dual credit statute required higher education institutions to waive tuition, Mr. Danny Earp, Director, New Mexico Independent Community Colleges, said the 2007 law encouraged but did not require institutions to waive tuition. Dr. Rindone explained that if the institution waived tuition, the higher education funding formula no longer penalized it for the revenue those credit hours would have generated in calculating the state funds it should receive. In response to a question how many institutions were waiving tuition for dual credit, Mr. Brandon Trujillo, Legislative Liaison, HED, said that all institutions did so.

In response to a committee member's question regarding the implementation challenges posed by the dual credit law, Dr. Drangmeister expressed concern about college courses that students took intending to address core high school graduation requirements. Secretary García said that, as a rule, if a course is offered at the high school, a student should take the course there, but special circumstances could justify taking it at a college with her approval. She added that she would consult the Uniform Master Agreement and the Public Education Department (PED) rule to see if other conditions might apply and so advise the committee.

Mr. Tom Sullivan, Executive Director, New Mexico Coalition of School Administrators, added that the HED/PED Dual Credit Committee recognized that some postsecondary courses, however rigorous, might not address all the relevant high school standards; and he said debate about whether a three-credit college course should count for a half, or a full, high school unit had been a sticking point. Therefore, the committee decided to discourage students from taking core courses in college that were offered at the high school; however, he acknowledged that there were valid exceptions that should be recognized in the Master Agreement.

In response to a committee member's question if academic advisors met formally with high school counselors, Dr. Marlow said that, in the past, UNM-Gallup had a task force composed of high school counselors and academic advisors, and that the group continues to meet informally.

A committee member urged Diné College and Navajo Technical College to strive, while serving students in the Navajo Nation, to align curricula and programs with New Mexico requirements so those students could transfer smoothly into state-funded institutions. The committee member said she hoped that the memoranda of understanding negotiated between tribal colleges and HED were helping all parties work together for the benefit of New Mexico students. The Chairman noted that students in private and home schools were included in the dual credit law, but not those at tribal schools and colleges, and that the committee might wish to review that issue.

In response to a committee member's question regarding how Navajo Technical College provides transportation for students who must travel great distances to attend, Mr. Romero said the college has several vans as well as residential units for students who prefer to live on campus.

Representative Stewart requested that PED provide clarification whether and under what circumstances a high school student may receive credit toward graduation for a college course for which he or she paid the tuition.

There being no further questions or discussion, Chairman Miera thanked the panelists for their presentations and their efforts to build successful P-20 partnerships.

READINESS AND HIGH SCHOOL ASSESSMENTS

Ms. Pamela Herman, LESC staff, introduced Secretary of Public Education Veronica C. García and Mr. Carlos Martinez, Assistant Secretary for Assessment and Accountability, Public Education Department (PED), who were available for committee questions.

Ms. Herman explained that the LESC included in its 2008 Interim Workplan a report on PED's progress in implementing changes to the New Mexico high school assessment system mandated by the Legislature in 2007 and 2008. She said that, in the 2006 interim, the LESC heard a presentation showing that approximately half of recent New Mexico high school graduates required remedial courses in their first semester at state-funded postsecondary institutions. Also in 2006, the committee convened an LESC College/Workplace Readiness and High School Redesign Work Group that heard testimony and proposed a package of reforms to increase the value of the high school diploma and improve student college and workplace readiness, including an overhaul of the high school assessment system. These high school redesign measures were endorsed by the LESC and passed by the 2007 Legislature, and in 2008, the Legislature amended that law to add further specificity to the assessment requirements.

Ms. Herman summarized the high school assessment requirements in law. She said that PED must establish a statewide college and workplace readiness assessment system no later than school year 2008-2009 that is aligned with state standards, college placement tests, and entry-level career skill requirements, as follows:

- in ninth grade, elimination of the assessment previously used for school accountability purposes under state and federal law beginning in school year 2007-2008;
- in ninth and tenth grades, local administration of short-cycle diagnostic assessments in reading, language arts, and mathematics in the fall and two additional times during the year;
- in the fall of eleventh grade, one or more of the following tests chosen by the student: a college placement assessment, a workforce readiness assessment, or an alternative demonstration of competency using standards-based indicators;
- in the spring of eleventh grade, administration of the current standards-based assessment in mathematics, reading, language arts, and social studies for school accountability; and
- for high school graduation, beginning in school year 2010-2011, a new high school graduation measure, consisting of a standards-based assessment or assessments or a portfolio of standards-based indicators that includes reading, English, mathematics, writing, science, and social studies, and a section on the United States and New Mexico constitutions. PED must establish the assessment in rule, and the department may designate the eleventh grade accountability assessment as the graduation test, thereby eliminating one required assessment.

Ms. Herman said that in 2007 the Legislature appropriated \$2.0 million to PED for FY 08 for assessment costs, including \$500,000 to develop a federally required alternative assessment and \$1.5 million to develop a new eleventh grade assessment. In 2008, the Legislature reauthorized the use of the \$1.5 million for expenditure through FY 09 and appropriated an additional \$4.0 million for assessments, for a total of \$5.5 million available for expenditure in FY 09 for assessments. Ms. Herman said that, according to PED, the department had budgeted close to \$2.25 million of that amount for the new high school assessments, including:

- \$1.7 million for an Electronic Student Management System;
- \$200,000 for the validation and standards alignment studies for ninth and tenth grade short-cycle diagnostic assessments;
- \$109,200 to facilitate the use of the eleventh grade standards-based assessment as a high school graduation exam;
- \$175,000 to implement the eleventh grade Spanish language standards-based assessment in writing; and
- \$70,000 to provide professional development relating to ninth and tenth grade short-cycle diagnostic assessments.

Ms. Herman said that PED had reported that the remaining \$2.25 million available to be spent for assessments in FY 09 was budgeted for ongoing development and implementation of alternative assessments; distribution, scoring and reporting the eleventh grade Spanish standards-based assessment; and implementing and administering the English language proficiency assessment.

In 2008, Ms. Herman continued, the Legislature included \$464,800 in the public school funding formula to help cover recurring school district administrative costs associated with current testing requirements in FY 09; however, she said that PED had indicated that those dollars would not be sufficient to cover all the costs of administering the new high school assessments. She added that PED had stated that approximately \$524,000 became available when the ninth grade standards-based assessment was eliminated in FY 08, but the department had not advised LESC staff how those savings would be used; and that by phasing out the current high school competency examination between FY 11 and FY 17, additional extra dollars would gradually become available for educational assessment costs, although PED had not provided LESC staff with the projected amount of dollars available.

Regarding the steps PED had taken to establish the new assessments and to inform districts about the new requirements, Ms. Herman noted that the department had developed its plan in consultation with its Assessment and Accountability Advisory Council and had planned to publish a proposed rule to implement the new assessment system by mid-August 2008, with a public hearing in September. She said that implementation by school districts would be voluntary in school year 2008-2009 and mandatory beginning in school year 2009-2010. Because current statute requires local administration of the assessments and because scores will not be reported to PED, the department will require district testing coordinators to attest to compliance with the law by means of an electronic survey. Finally, Ms. Herman observed that, despite PED's efforts to inform districts about the new assessment requirements, many districts responding to an LESC survey indicated that they had not received adequate guidance, particularly in regard to the new eleventh grade assessments.

In June and July 2008, Ms. Herman continued, the LESC sent a survey to 31 school districts that staff had selected based on population and geographic diversity. Twenty-four of those 31 districts responded. While detailed results were included in committee members' notebooks, Ms. Herman said that most districts indicated that they were prepared to administer and use the results of the ninth and tenth grade short-cycle assessments, having previously administered such assessments in high school. Many were using the same commercial product, the Northwest Education Association Measures of Educational Progress (NWEA MAP), and all indicated that their staff had had professional development over the past year or more regarding how to administer these assessments and use the results. On the other hand, she said, while most

districts also said they would be ready to implement the new eleventh grade assessments in school year 2008-2009, their answers indicated that, as of mid-summer, many were still unsure how to do so. Nineteen districts anticipated problems because of such issues as inadequate funding, staff time, and resources; selection of appropriate instruments; and objections to “too much testing.”

Regarding implementation of the new high school graduation test, Ms. Herman said that PED had reported its plan to designate the eleventh grade standards-based assessment as the primary assessment for graduation for all students except those with Individualized Education Plans that specified otherwise. By fall 2008, PED plans to issue a request for proposals for a new assessment contract that would incorporate components necessary to use the eleventh grade assessment as a high school graduation test, including a statistically proven method of determining graduation cut scores different from simple proficiency level cut scores, expansion of the English language social studies test to include the required items on the state and federal constitutions, and development of a Spanish language social studies subtest. Ms. Herman reported that in PED’s plan, if a student did not achieve the required graduation cut score, the student could demonstrate mastery of the required standards by assembling a portfolio of other indicators including the college placement or workplace readiness assessments. Ms. Herman reminded the committee that, by law, students who enter ninth grade before the new requirement comes into effect in school year 2010-2011 but who do not pass the existing exam could still receive a diploma by retaking and passing that test within five years of leaving high school. Therefore, districts may have to continue to administer the current high school competency exam to an ever-diminishing pool of candidates until school year 2017-2018.

Ms. Herman turned briefly to a discussion of some of the issues that have arisen in the national debate about ensuring equity in the use of “high stakes” exams – that is, those that have a direct consequence for students such as promotion to the next grade or graduation from high school. She noted that, while New Mexico has required students to pass an exit test for graduation since 1986, the new statute requires an assessment based on more rigorous eleventh grade high school standards. She said that authorities argue that a graduation test must be embedded in a broader policy system oriented toward student success, one that includes such factors as: alignment of standards, curricula, and graduation requirements; preparation and professional development of teachers; early identification and intervention or remediation for students at risk of failing; test accommodations to address special needs of students; and ongoing evaluation of the impact of the exam, including which students or groups of students do not pass and what happens to them.

Ms. Herman directed the committee’s attention to a memorandum in their notebooks from the Office of General Counsel of PED that addressed some of the legal issues raised by high stakes exit exams. The memo points to holdings in federal court cases that a student’s legitimate entitlement to a public education is a property interest that may be protected by the Due Process clause of the US Constitution, and that “ample time for an opportunity to learn the tested academic content should be the guiding principle.” The memo states that the Office of General Counsel was researching the law to determine if notification is required when a new high stakes test is substituted for an earlier one, as in New Mexico.

Committee Discussion:

Chairman Miera asked Secretary García if she had any comments regarding assessments. Dr. García suggested that the Legislature may wish to take a second look at language in statute mandating a “college placement” assessment as one of the options for students in the fall of eleventh grade, noting that the ACT is not universally used for that purpose among New Mexico

postsecondary institutions. Otherwise, she indicated her opinion that the new assessment system as a whole and the new Diploma of Excellence would ultimately reduce on the need for remediation. In response to a committee member's question regarding PED's progress in designating the eleventh grade standards-based assessment as the graduation assessment, Secretary García replied that PED is working on the rule, which, once promulgated, will apply to the freshman class in school year 2008-2009. She pointed out that the test would not be the only determinant for graduation, adding that, because students would have such alternatives as the portfolio, the chance for litigation would be mitigated.

A committee member asked whether funds made available by eliminating older assessments would help to offset costs associated with current testing requirements in FY 09. Mr. Martinez said that the department hoped that the elimination of the ninth grade assessment for the past two years would generate savings to help cover the cost of new assessments. He said the department is also looking at ways of streamlining assessments to require less work from the testing company.

A committee member expressed concern that, because districts do not use the same short-cycle assessments, the results cannot be compared across the state. The committee member asked if the short-cycle assessments will be aligned. Dr. García replied that the purpose of short-cycle assessments is diagnosis not accountability; therefore, comparisons among schools on such assessments are not critical. She observed that a number of districts are already using the same assessments, and PED will be reviewing districts' short-cycle assessments to determine if they align with state standards.

In closing, Secretary García noted that PED had succeeded in getting assessment results to school districts this summer by the end of June so that they had time to prepare staff professional development at the start of school. Also, the testing window has been pushed back to allow three more weeks of instruction in spring 2009. Dr. Rindone pointed to a memorandum on the subject included in the Correspondence section of the members' notebooks. Dr. García requested the opportunity to make a presentation about adequate yearly progress (AYP) to the committee during the interim, and Chairman Miera agreed.

LEGISLATIVE FINANCE COMMITTEE (LFC) AUDIT OF RIO RANCHO PUBLIC SCHOOLS

Chairman Miera recognized Mr. Charles Sallee, Program Evaluation Manager, and Mr. Craig Johnson, General Government Performance Evaluator, Legislative Finance Committee (LFC); Dr. V. Sue Cleveland, Superintendent of Rio Rancho Public Schools (RRPS); and Dr. Veronica C. García, Secretary of Public Education, for a discussion of the LFC's review of RRPS during the 2008 interim.

Mr. Sallee explained that, given that local school districts are responsible for spending such a large portion of the state budget, LFC staff sought to evaluate the operations of a selected school district to identify best practices and efficient and effective use of public resources. RRPS was selected for review, he noted, primarily because of the district's student population, amount of state revenue, and school construction. He stated that the LFC's program evaluation focused on assessing the district's governance practices, resource allocation and spending decisions, and efforts to improve teacher quality and student performance.

Mr. Sallee stated that, overall; the RRPS district appropriately focuses its efforts and resources on the classroom, which has resulted in positive student outcomes. He said the district provides an enriched learning environment to students, including an impressive array of technology, facilities, and capable educators working with a common vision. He emphasized, however, that like most school districts, RRPS is not immune from challenges. He emphasized that, while the majority of students in Rio Rancho perform well on state standardized tests, low-income and other special-needs students lag behind their peers and are not making achievement gains quickly enough to close the achievement gap. He noted that financial resources and qualified teachers are not always aligned at the schools with the highest concentration of low-income students. While not intentional, he noted, this misalignment does not appear to support state efforts to close the achievement gap between low-income students and their peers.

Mr. Sallee stated that one benefit in RRPS has been the district's ability to provide stable leadership over a long period of time. Overall, student achievement in RRPS, he noted, exceeds average state test scores. He said Rio Rancho performed at or above expected levels with limited exceptions when compared to peer schools in Albuquerque or Farmington. With regard to teacher quality, Mr. Sallee reported, the LFC review found that RRPS teachers have received a significant boost in pay as a result of the Legislature's implementation of a three-tiered licensure system and that students in Rio Rancho classrooms with teachers who have completed the professional development dossier are performing at a higher level than other students. Mr. Sallee emphasized that, despite the investment in its teachers, higher qualified teachers at RRPS are not always assigned to schools with high-need students. As a result, the district has had to provide additional operational funding for interventions and other support programs. Other practices identified as potential problems possibly needing further study, he indicated, include the late administration and receipt of results of the New Mexico Standards Based Assessment; the need for improved functionality of the Student Teacher Accountability Reporting System at PED; and the effect of categorical funding late in the school year for implementing effective programs.

Referring to the final LFC report of the RRPS review, Mr. Johnson summarized the finance findings. One of the key findings, he noted, is that the current funding formula overcompensates RRPS for student population growth. He explained that, to receive additional funding for student growth, a school district must meet the statutory requirement of growth equal to or greater than 1.0 percent based on its 40th school day enrollment count. For RRPS, he noted, the district received as much, and occasionally more, funding per student for the growth students than for the prior-year students. He emphasized that since 2004 the district has benefited from changes to the funding formula for growth more than other districts and now receives more revenue from growth than all other school districts combined, excluding charter schools.

Mr. Johnson said that student population growth creates great challenges; however, because of the district's consistent growth and reliance primarily on State Equalization Guarantee (Public School Funding Formula) funds, the district needs to plan carefully for future expansions.

The district's capital program, Mr. Johnson reported, does an excellent job in construction management and planning. He noted that the cost of new schools is primarily provided through local General Obligation Bond proceeds and funding from the Public School Capital Outlay Council, which provides for the vast majority of start-up costs for furniture, fixtures, and equipment. He added that SB 9 revenue, also known as the two-mill levy, provides the district with dollars to maintain school buildings and also to equip and furnish schools and purchase technology. Mr. Johnson said that Rio Rancho's newest schools will have incremental start-up

costs primarily for high school athletics and band, as well as library collections; however, the district did not report cost estimates for libraries and science labs. He added that the district chose to use bond proceeds for technology, such as digital cameras and laptops, and for an \$11.0 million performing arts center but used operational funds for library books and musical instruments. Mr. Johnson stated that the school district can do as it pleases, but the LFC review report recommends that if operational funds will be used for items that can be paid out of SB 9 monies or bond proceeds, the school district needs to ensure that start-up costs are not affecting the use of operational funds for operational purposes.

To conclude, Mr. Johnson reported that the district requested a supplemental emergency appropriation and that the emergency supplemental the district received was the largest single distribution to any school district within the last 10 years. He stated that the district's application for emergency funds identified specific needs related to the opening of two new elementary schools and a new high school; however, the district budgeted \$1.9 million in other contract services. Mr. Johnson said the LFC intends to follow up with the district and with PED by reviewing final year-end reports to determine the use of the emergency funds. He then referred the committee to page 24 of the final LFC review report for the finance-related recommendations of the LFC review.

Dr. Cleveland shared some observations related to the audit. She said the district is always looking for ways to improve its processes and services and has already incorporated the audit committee's insights into its planning.

Dr. Cleveland stated that, in regard to the school district's overall status, a number of situations have a tremendous impact on a school district's financial situation. School districts throughout New Mexico, including Rio Rancho, she noted, have struggled as federal and state mandates for public education have increased, including the testing and intervention requirements from the *No Child Left Behind Act of 2001* (NCLB) and changes to the *Individuals with Disabilities Education Improvement Act* (IDEA), such as the interventions school districts are required to administer under the new Response to Intervention (RtI) regulations. In addition, court decisions and mediation rulings have favored very expensive interventions that are not necessarily required in statute but required by the courts. She said that, in more and more of those cases, courts are ruling against school districts even though the districts adhere to provisions in current law.

Dr. Cleveland reported that the current budget situation of RRPS happened over a period of time when the district's fund balance eroded every year. She explained that, prior to 2003, the funding for a student in the state was based on an average 1.8 units; however, approximately 700 students in RRPS were funded at a 0.5 unit primarily because of the way enrollment growth was funded at that time. In fairness to the Legislature, she stated, legislation to provide for an increase in enrollment growth was passed three times only to be vetoed by the Governor each time. In those years, she added, the district's fund balance decreased primarily because enrollment growth required additional costs, including teachers, educational assistants, and portables. Because of those costs, she emphasized, the district was unable to provide salary increases; therefore, when the three-tiered licensure system was implemented, the district had to find dollars to meet the required salary minimums for teachers in each level. She emphasized that, prior to requesting emergency supplemental funds from PED, the district had been notified that the district's bond rating was in danger of being downgraded because of insufficient cash balance.

With specific reference to the \$1.9 million in emergency supplemental funds to RRPS, Dr. García reported that a review of the school district's funds by PED staff determined not only that the district's cash balance was low, but also that the district was opening two new schools in the subsequent school year. In this type of situation, she emphasized, she would not hesitate to allocate emergency funds to the district. She added that, when a school district first receives an emergency supplemental allocation, it is common practice to place these funds in the district's cash balance until the dollars are budgeted in required line items. In the case of Rio Rancho, she said, it was her understanding that some of the emergency supplemental funds have been budgeted and some of the dollars have been expended.

Committee Discussion:

In response to a committee member's question relating to the authority of the LFC to conduct educational program evaluations of public school districts, Mr. Sallee stated that the LFC has statutory authority to examine the laws governing the finances and operation of departments, including state agencies and institutions of New Mexico and all of its political subdivisions.

Mr. Sallee's point notwithstanding, several committee members expressed their concern that, with this audit, the LFC had intruded into the arena of public education despite the lack, by both committee and staff, of credentials to conduct review of educational programs. Also alarming, these committee members asserted, were the number of errors in the audit – referring to the Public School Facilities Authority as the Public School Finance Authority, for example – and the selection of information that seemed intended to support preconceived notions about the operation of RRPS. The result, these committee members continued, was a “reckless” audit, a “waste of time and money” that is likely to jeopardize the bond rating of the school district. Sharing these concerns, the Chair stressed that, to be credible, such reviews must include people who understand education policy and issues; and he requested that in the future the LESC be included in any future reviews.

On another issue, a committee member expressed concern that a letter was sent to all legislators and superintendents from the LFC expressing “significant concern with the recent educational reforms, particularly regarding the performance of high school graduates at postsecondary institutions within our state.” Mr. Paul Aguilar, Senior Fiscal Analyst, LFC, said the letter expressed concern over the 2008 results contained in a report by the Office of Education Accountability. The committee member expressed concern that the LFC is suggesting that public schools are failing; however, the LFC has failed to recognize that educational reforms take time to have an impact on student performance.

◇ SUPERINTENDENTS AND COMMUNITY INPUT

Biological Origins

Mr. Michael W. Edenburn, private citizen, provided the committee with a copy of a proposed bill that would allow teachers to inform students of multiple theories on the origin of life when they discuss the theory of biological origins. He noted that a bill introduced in the 2007 legislative session, requested that PED allow teachers to present the strengths and weaknesses of evolutionary theory when teaching biological origins in public schools; however, the legislation failed.

Global Telesis 3

Ms. Jeanne O'Dean, President and Chief Learning Officer of Global Telesis 3 (GT3) provided the committee with a handout that included statements from transformational learning experts and a citation from Lieutenant Governor Diane D. Denish's 2007 inaugural address on Educonomy, a 21st Century vision for building and sustaining New Mexico's economy, quality of life, security and international standing through investment in social capital. The handout, Ms. O'Dean noted, also outlines a proposed Land of Enchantment Knowledge Enhancement Project. The project, she stated, proposes a pilot program titled the Virtual Aerospace World, explaining that GT3 is developing 3-D New Mexico career cluster virtual world products and services.

Gifted Education

Dr. Joseph Pope, Ms. Catherine Pope, Mr. Dave Gonzales, and Mr. Bob Montoya, parents of gifted students in the Farmington Municipal Schools, and Mr. Clayton Brown, a retired science and special education teacher, addressed the committee regarding concerns that the proposed public school funding formula does not include gifted students in the special education formula adjustment.

Dr. Rindone reported that, based on input received by the LESC regarding gifted education, a letter had been sent out to individuals whose names were acquired from various organizations for gifted students inviting them to provide the committee with comments and suggestions regarding the provision of gifted programs. She stated that a copy of that letter would be provided to the presenters so that their concerns could be included in the compilation of input by LESC staff for use by the LESC in its consideration of the proposed formula.

New Mexico Technet

Mr. Charles Lehman, Special Projects Manager, New Mexico Technet, reported on the organization's efforts to establish a statewide workforce readiness assessment system for job seekers and students in New Mexico. He promoted the use of the ACT WorkKeys Student Assessment System that is being used by New Mexico's Workforce Solutions offices statewide and in 17 school districts for the assessment of their junior- and senior-high school students. The ACT WorkKeys Student Assessment System, he said, assesses a student's math, reading, and problem-solving skills. The system, he emphasized, has a WorkKeys test specifically designed for special education students, as well as Spanish, online, and paper-and-pencil versions of the assessment. He noted that the Governor provides a career readiness certificate to students and job seekers who successfully complete the assessment.

New Mexico Coalition of School Administrators (NMCSA)

Mr. Tom Sullivan, Executive Director, NMCSA, spoke in support of the Rio Rancho Public School Superintendent's position regarding funding for enrollment growth. He noted that the average number of units per student statewide is currently over 1.9. Considering that the current formula provides 2.0 units for new students in excess of 1.0 percent growth, he said that the Legislative Finance Committee review is misleading when it refers to growth funding as a "windfall" for the district.

There being no further committee discussion, Chairman Miera, with the consensus of the committee, recessed the meeting at 5:45 p.m.

**MINUTES
LESC MEETING
Friday, August 8, 2008**

Representative Rick Miera, Chair, called the Legislative Education Study Committee (LESC) meeting to order on Friday, August 8, 2008, at 9:20 a.m., San Juan College, Zia Conference Room, Farmington, New Mexico.

The following LESC members were present:

Representatives Rick Miera, Chair, Jimmie C. Hall, and Mimi Stewart; and Senators Vernon D. Asbill and Mary Jane M. Garcia.

The following LESC advisory members were present:

Representatives Andrew J. Barreras, Ray Begaye, Nathan P. Cote, Nora Espinoza, Mary Helen Garcia, and Jim R. Trujillo; and Senator William E. Sharer.

WORK-STUDY PROGRAMS

Ms. Eilani Gerstner, LESC staff, made a presentation to the committee regarding work-study programs, including the implementation of state and federal work-study programs in New Mexico, the effect of increases in the state and federal minimum wages on New Mexico's work-study program, and the effect of work-study programs on student retention and graduation rates. Ms. Gerstner acknowledged Dr. Reed Dasenbrock, Secretary of Higher Education, and Ms. Tashina Banks-Moore, Financial Aid Director, Higher Education Department (HED), who were available to answer questions.

Classified as financial aid, work-study programs provide eligible undergraduate and graduate students with employment opportunities that are funded in part by state or federal work-study funds, Ms. Gerstner said. She summarized the requirements for both the New Mexico and the federal work-study programs, each of which requires that employers match a portion of students' work-study salaries (20 percent for the state program; 25 percent for the federal program), and that students earn at least the minimum wage. Therefore, she said, work-study programs may be affected by upcoming increases in the New Mexico and federal minimum wages.

To receive a state or federal work-study award, she said, students complete the *Free Application for Federal Student Aid* (FAFSA) to determine their level of financial need. Based upon that need, postsecondary institutions provide each eligible student with a work-study award, which is the maximum amount that the student may earn in a work-study job during the academic year. Ms. Gerstner said two funding sources contribute to a single work-study award: one is the amount from state or federal work-study funds, and the other is the required employer's match. As an example, she described work-study opportunities at the University of New Mexico, which offers work-study positions in 11 categories. Positions advertised range in salary from \$6.75 per hour to \$10.00 per hour, and that require work hours ranging from eight hours per week to 40 hours per week.

Ms. Gerstner provided an overview of funding for New Mexico's work-study program since FY 00. She said that each year the Legislature makes one appropriation to HED to fund the approximately 20 student financial aid programs administered by the department, including the state work-study program. Since 1999, Ms. Gerstner continued, the Legislature has appropriated approximately \$223.2 million in non-reverting funds from the General Fund to HED for student financial aid; of that amount, approximately \$54.0 million, or 24 percent, of all student financial aid has gone to the state work-study program. She said that, because the state *Work-Study Act* requires that HED allocate state work-study funds equitably among eligible institutions, the department uses a formula based upon student need and the number of New Mexico residents enrolled to calculate each institution's allocation.

Next, Ms. Gerstner provided an overview of the total number of state and federal work-study recipients and total amount of work-study awards statewide from FY 00 through FY 07. In doing so, she noted that, although HED does not allocate federal work-study funds to postsecondary institutions, the department does collect data on the federal work-study participation for annual reporting purposes.

Ms. Gerstner said that the LESC review of New Mexico's work-study program has identified several issues:

- Currently, HED does not have a list of approved nonprofit organizations at which students may be employed for work-study, as allowed in the *Work-Study Act*, and the department rule has not been updated since 1998. According to HED, the department will be revising the rule, including approving nonprofit organizations for participation in the state work-study program.
- Beginning in 2007, she said, both the New Mexico and the federal minimum wages began phased increases. By 2009 New Mexico's minimum wage will be \$7.50 per hour, which will exceed the federal minimum wage of \$7.25 per hour. According to HED estimates, Ms. Gerstner continued, approximately \$3.3 million will have to be added to the state work-study budget for FY 10 to account for the increased minimum wage, to provide an average work-study award of approximately \$2,700 to each student, and to provide funding for just over 4,000 state work-study participants.
- Although HED rule requires institutions receiving state work-study funding to provide expenditure reports to HED, for academic year 2006-2007, six institutions that received state work-study funding from HED did not report their expenditures, and 11 institutions expended significantly fewer funds than they received from the department. Ms. Gerstner said that HED reports that some discrepancies may be errors in reporting, which the department and the institutions are working to correct, and that HED is also investigating whether the formula for allocating work-study funds to institutions needs to be revised.
- The final issue that Ms. Gerstner identified concerns eligibility of community colleges and tribal colleges to participate in the state work-study program. The *Work-Study Act* defines an eligible institution as "any state post-secondary educational institution and any private non-profit post-secondary educational institution in New Mexico." According to the Legislative Council Service (LCS), Ms. Gerstner explained, the phrase "any state post-secondary educational institution" means those postsecondary institutions

established in Article 12, Section 11 of the state constitution; the phrase does not include community colleges or tribal colleges. Even so, HED has allocated state work-study funds to community colleges and tribal colleges. According to LCS, she continued, in order to include community colleges, the *Work-Study Act* would need to be amended to use the term “public post-secondary educational institutions.” She said the act would also have to be amended to include tribal colleges, possibly as the *College Affordability Act* was amended to allow students at tribal colleges to receive college affordability scholarships.

Finally, Ms. Gerstner said that the issues raised in the staff report suggest several policy options that the committee may wish to consider:

- sending a letter to the Secretary of Higher Education supporting the department’s efforts to address the reporting issues;
- endorsing increased funding for the state work-study program in order to maintain the FY 04 participation rate of approximately 4,000 students in the state work-study program and to compensate for the imminent increases in the minimum wage;
- endorsing an amendment to the *Work-Study Act* to replace the term “state post-secondary educational institution” with the term “public post-secondary educational institution”;
- and
- endorsing an amendment to the *Work-Study Act* to define and include tribal colleges, similar to the *College Affordability Act*.

Chairman Miera invited Secretary Dasenbrock and Ms. Banks-Moore to address the committee regarding the issues raised in the staff report. Ms. Banks-Moore noted that the report identified several issues that the department had not previously recognized, and she described the expenditure reporting requirements HED is implementing for institutions that receive work-study funding. In particular, HED will require institutions either to return all unexpended work-study funds to HED at the end of each fiscal year, or formally to request permission from HED to carry forward 10 percent of the remaining funds and return the remainder to the department. Any funds returned to HED would be re-allocated among institutions for use during the following fiscal year.

Next, Secretary Dasenbrock addressed the issue of which institutions are eligible to participate in the state work-study program. He said that he disagrees with the LCS interpretation that the term “state post-secondary educational institution” refers only to those institutions outlined in the state constitution and that it does not include community colleges. He said, however, that HED would not be opposed to changing the term “state post-secondary educational institution” to “public post-secondary educational institution.” On the issue of the tribal colleges, he stated his belief that the terms “state post-secondary educational institution” and “private post-secondary educational institution” include tribal colleges.

Finally, Secretary Dasenbrock introduced Dr. Matthew J. Martinez, Director of Educational Equity and Access at HED, to discuss his role at the department. Dr. Martinez said his primary role is tribal liaison among the tribal colleges, the tribal higher education department, and the state colleges and universities, with a focus on recruitment and retention of Native American students. Another part of his role, he said, is working on articulation and transfer of courses from community colleges to four-year institutions and from tribal colleges to four-year institutions.

Committee Discussion:

In response to a committee member's question whether the funding for the federal work-study program is being reduced, Secretary Dasenbrock said that in recent years the funding amounts for federal work-study have not changed.

In response to Chairman Miera's question whether HED has an attorney on staff, Secretary Dasenbrock replied that the department has hired an attorney effective August 25, 2008. Chairman Miera recommended that HED's attorney work with LCS to verify which institutions are eligible to participate in the state work-study program.

A committee member asked whether middle income individuals who leave full-time jobs to return to school would be eligible to participate in work-study. Ms. Banks-Moore said that yes, they would, because, according to the law, only one-third of state work-study awards must be need-based. She also noted that, if these individuals could document that they are no longer employed, the law allows financial aid officers to exercise professional judgment in order to adjust individuals' financial aid awards.

In response to a committee member's question whether a student can receive both the lottery scholarship and another scholarship that covers tuition, Ms. Banks-Moore said that a student cannot receive both.

In response to a committee member's question whether HED takes into account the higher minimum wages in Santa Fe and Albuquerque when making work-study allocations, Ms. Banks-Moore said that the department has not taken them into account in the past but that it will do so in future years in order to ensure equitable distribution of work-study funds.

In response to a committee member's question regarding what has happened in the past to work-study funds that postsecondary institutions did not expend, Secretary Dasenbrock said it is possible that some institutions banked unexpended funds for future years. He noted that HED's current work-study allocation formula may over-allocate funds to some institutions, and he reiterated the department's intention to investigate whether the formula needs to be revised.

In response to a committee member's question whether students can obtain state financial aid without completing the FAFSA, Ms. Banks-Moore said that only in the case of the lottery scholarship are students not required to complete the FAFSA.

Several committee members expressed concern that the complicated nature of the FAFSA prevents many students from taking advantage of student financial aid. Secretary Dasenbrock agreed, noting that the reauthorization of the *Higher Education Act of 1965* has passed Congress and, if enacted, will significantly simplify the FAFSA form and requirements.

Representative Cote requested that HED provide the federal work-study allocations to New Mexico institutions of higher education compared with the number of federal work-study recipients and total amounts of federal work-study awards (which include the employer's match) at each institution for FY 07 (academic year 2006-2007).

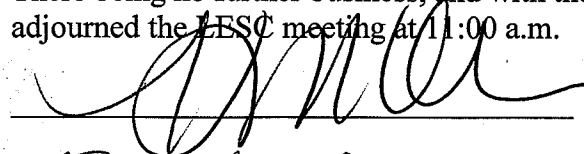
Representative Hall requested that HED provide the number of lottery scholarship recipients that also participate in the state work-study program.

OTHER BUSINESS

On a motion by Senator Asbill, seconded by Senator Garcia, the committee unanimously agreed to change the LESC September meeting location from Raton to Chama.

ADJOURNMENT

There being no further business, and with the consensus of the committee, Chairman Miera adjourned the LESC meeting at 11:00 a.m.

 Chairperson

November 19, 2008 Date